



**JOINT MILPITAS CITY COUNCIL AND
HOUSING AUTHORITY MEETING AGENDA**

TUESDAY, JUNE 16, 2015

**455 EAST CALAVERAS BLVD, MILPITAS, CA
5:30 PM HOUSING AUTHORITY
6:00 P.M. (CLOSED SESSION) • 7:00 P.M. (PUBLIC BUSINESS)**

SUMMARY OF CONTENTS

I. CALL TO ORDER/ROLL CALL by the Mayor (5:30 p.m.)

II. HOUSING AUTHORITY COMMISSION

Receive Update Related to Staff Approval of Implementation of Disposition and Development Agreement Terms for the South Main Street Senior Lifestyles Project (Staff Contact: Tom Williams, 408-586-3051)

III. ADJOURN TO CLOSED SESSION (6:00 p.m.)

a) CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION

Pursuant to California Government Code Section 54956.9 - City as Plaintiff

b) CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Pursuant to California Government Code Section 54956.8

Property: McCandless Property APN 086-41-016 and APN 086-41-017

Negotiating with: Milpitas Unified School District

Under Negotiation: Purchase & Sale Agreement

c) CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION

Pursuant to California Government Code Section 54956.9 - City as Defendant

CLOSED SESSION ANNOUNCEMENTS: Report on action taken in Closed Session, if required pursuant to Government Code Section 54957.1, including the vote or abstention of each member present

IV. PLEDGE OF ALLEGIANCE (7:00 p.m.)

V. INVOCATION (Mayor Esteves)

VI. APPROVAL OF COUNCIL MEETING MINUTES – May 11 and June 2, 2015 meetings

VII. SCHEDULE OF MEETINGS – COUNCIL CALENDARS – June and July 2015

VIII. PRESENTATIONS

- Commendation to Agape Mobile Dental Bus at Senior Center
- Presentation of Youth Advisory Commission's Scholarship Award to Charles "David" Olivar
- Proclaim July 2015 as *Parks & Recreation Month*
- Commendations to Milpitas Police Officers and Santa Clara Valley Transportation Authority Bus Driver for the recent safe return of an abducted child

IX. PUBLIC FORUM

Members of the audience are invited to address the Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit their remarks to three minutes. As an unagendized item, no response is required from City staff or the Council and no action can be taken; however, the Council may instruct the City Manager to place the item on a future meeting agenda.

X. ANNOUNCEMENTS

XI. ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

XII. APPROVAL OF AGENDA

XIII. CONSENT CALENDAR (Items with asterisks*)

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a member of the City Council, member of the audience, or staff requests the Council to remove an item from or be added to the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

XIV. PUBLIC HEARING

- 1. Conduct a Public Hearing, Adopt a Resolution Approving a Water Conservation Plan, Approve a new Capital Improvement Project Entitled Water Conservation Program Project No. 7126, Approve a Budget Appropriation, Deny Request for Supplemental Water to Golf Courses and Adopt Urgency Ordinance No. 240.3 Adding Supplemental Water Use Restrictions and Penalties Per State Law (Staff Contact: Steven Machida, 408-586-3355)**

XV. UNFINISHED BUSINESS

- 2. Direct Staff to Issue a Request for Proposals for Collection and Disposal of Solid Waste, Recyclables and Organics, and Approve Amendment No. 1 to the Consultant Agreement with HF&H Consultants for Solid Waste Procurement Services in the Amount of \$49,925 for CIP No. 3401 (Staff Contact: Steven Machida, 408-586-3355)**
- 3. Receive a Report from Engineering Staff Regarding Residential Water and Sewer Rate Clarifications (Staff Contact: Steven Machida, 408-586-3355)**

XVI. REPORTS OF MAYOR AND COMMISSIONS

- * 4. Consider Mayor's Recommendations for Re-appointments to City of Milpitas Commissions (Contact: Mayor Esteves, 408-586-3029)**
- 5. Hear Report from the City Council's City Attorney Subcommittee (Contact: Council-member Giordano, 408-586-3032)**
- * 6. Approve the 2016 Work Plan of the Community Advisory Commission (Staff Contact: Tim Wong, 408-586-3286)**
- * 7. Authorize and Approve Changes to the By-Laws of the Emergency Preparedness Commission (Staff Contact: Sean Simonson, 408-586-2810)**

XVII. NEW BUSINESS

- 8. Receive Report on Status of Ballot Measures T and Z, Relating to Urban Growth Boundaries and Urban Service Areas and Provide Direction to Staff (Staff Contact: Bill Ekern, 408-586-3273)**

- 9. **Receive Quarterly Economic Development Report (Staff Contact: Edesa Bitbadal, 408-586-3052)**
- * 10. **Consider Request from Alliance Renewal Kingdom Ministries for a \$500 Donation Toward ARK SAM Camp held August 3–7, 2015 (Staff Contact: Mary Lavelle, 408-586-3001)**
- * 11. **Consider Request from South Bay Kids Music Group to Waive Fees of \$1,480 for “We’ve Got the Music” Fundraising Event on July 11, 2015 (Staff Contact: Mary Lavelle, 408-586-3001)**

XVIII. ORDINANCES

- * 12. **Waive the Second Reading and Adopt Ordinance No. 65.144 Regarding Solar Permit Streamlining Per State Law (Staff Contact: Keyvan Irannejad, 408-586-3244)**
- * 13. **Waive the Second Reading and Adopt Ordinance No. 208.51 to Amend the Milpitas Sanitary Code (Staff Contact: Steven Machida, 408-586-3355)**

XIX. RESOLUTIONS

- * 14. **Adopt a Resolution Granting Initial Acceptance of, and Reducing the Performance Bond for McCarthy Blvd. Lighting & Landscape Improvements Phase 1, Project No. 3402, and Granting Authorization to the Director of Engineering to Issue the Notice of Final Acceptance after the One-Year Warranty Period and to Release the Performance Bond (Staff Contact: Steve Erickson, 408-586-3301)**
- * 15. **Adopt a Resolution Approving Plans and Specifications, Awarding a Contract to Preston Pipelines for Automated Water Meter Replacement (Phase 1), Project No. 7121, and Authorize Director of Engineering to Execute Contract Change Orders (Staff Contact: Steve Erickson, 408-586-3301)**
- * 16. **Adopt a Resolution to Release Unclaimed Checks (Staff Contact: Gabrielle Tsang, 408-586-3131)**
- * 17. **Adopt a Resolution Approving Condition of Approval Language Requiring New Residential Development Projects be Subject to a Future Affordable Housing Ordinance (Staff Contact: Michael Ogaz, 408-586-3040)**

XX. AGREEMENTS & BIDS

- * 18. **Approve Amendment No. 5 to the Master Agreement with County of Santa Clara for the Senior Nutrition Program (Staff Contact: Stephanie Douglas, 408-586-3226)**
- * 19. **Authorize Renewal of Agreement for Excess Workers’ Compensation Insurance Contracted via Brown & Brown of California and Authorize Payment (Staff Contact: Emma Karlen, 408-586-3145)**
- * 20. **Authorize the Purchase of LED Retrofit Street Light Fixtures for a Total Amount of \$206,625 from HD Supply Power Solutions (Staff Contact: Chris Schroeder, 408-586-3161)**
- * 21. **Approve Agreements with Nine Vendors for FY 2015-16 Recreation Services Programs (Staff Contact: Dale Flunoy, 408-586-3228)**
- * 22. **Approve a Non-Exclusive Collection, Transportation and Recycling of Non-Putrescible Debris Agreement with Recology South Bay (Staff Contact: Steven Machida, 408-586-3355)**

- * 23. **Reject the Apparent Low Bid from OnPoint Construction, Authorize Staff to Repackage and Re-advertise 2014 Soundwall Renovation Project No. 4267 (Staff Contact: Steve Erickson, 408-586-3301)**
- * 24. **Approve Two Consultant Agreements and Amendment No. 2 to an Agreement with RMC Water and Environment for Engineering Services Related to Recycled Water Pipeline Extensions, Conversion of Augustine Park and Community Garden to Recycled Water, and Backfill Staff Support Totaling \$551,351, and Approve a Budget Appropriation for CIPs No. 7118 and No. 7126 (Staff Contact: Steven Machida, 408-586-3355)**
- * 25. **Approve a Consultant Agreement with Water Solutions, Inc. for Engineering Services in the Amount of \$427,000, Approve a New Capital Improvement Project Supervisory Control and Data Acquisition (SCADA), Project No. 7127, and Approve a Budget Appropriation of \$50,000 (Staff Contact: Steven Machida, 408-586-3355)**
- * 26. **Approve Consultant Agreement with HydroScience Engineers, Inc for Engineering Services in the Amount of \$51,000 for CIP No. 7126 (Staff Contact: Steven Machida, 408-586-3355)**
- * 27. **Approve Amendment No. 1 to the Agreement with Biggs Cardosa Associates, Inc. for the Midtown Parking Garage Fire Door Conversion, Project No. 3407 (Staff Contact: Steve Erickson, 408-586-3301)**
- * 28. **Approve Pre-Qualified Bidders List, Project Plans and Specifications, and Authorize Advertisement for Bid Proposals from Pre-Qualified Bidders, for Milpitas Sports Center Pool Repair, Project No. 3408 (Staff Contact: Steve Erickson, 408-586-3301)**
- * 29. **Authorize the City Manager to Execute an Agreement with the Silicon Valley Regional Interoperability Authority (Staff Contact: Armando Corpuz, 408-586-2534)**

XXI. ADJOURNMENT

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review. For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail: mogaz@ci.milpitas.ca.gov / Fax: 408-586-3056 / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on the City website.

All City Council agendas and related materials can be viewed online here:
www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO BECOME A CITY COMMISSIONER!

Current vacancies exist on the: *Community Advisory Commission and Veterans Commission*

Commission application forms are available online at www.ci.milpitas.ca.gov or at Milpitas City Hall. Contact the City Clerk's office 408-586-3003 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, call the City Clerk at (408) 586-3001 or send an e-mail to mlavelle@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the Council Chambers.

AGENDA REPORTS

II. HOUSING AUTHORITY COMMISSION

Receive Update Report on South Main Street Senior Lifestyles Project (Staff Contact: Tom Williams, 408-586-3050)

Background: The approved Disposition and Development Agreement (“DDA”) governs the disposition of a 5.94 acre site from the Milpitas Housing Authority (“MHA”) to South Main Senior Lifestyles (SMSL) and the development of a 389-unit senior rental continuum-of-care retirement community on the site, including 199 senior congregate care and assisted living units with services (Phase 1 Development) and 190 independent living senior units (Phase 2 Development) with a total of 48 very low income units (12%). The Housing Authority approved the DDA on November 19, 2013 allowing Phase 1 of the project to move forward for entitlement consideration. The City Council approved the Vesting Minor Tentative Map (No. TP14-0001), Site Development Permit (No. SD14-0006) and Density Bonus (No. DB14-0001) for the Phase 1 project on November 18, 2014.

The property is located on the east side of South Main Street with an address of 1504–1620 South Main Street, identified as Assessor Parcel Numbers 086-22-027, -028, -047 and -048. The property lies within the Midtown Specific Plan Area with Multi-family Residential, Very High Density General Plan Designation. Zoning for the property is Multi-family Residential, Very High Density (R4) in the TOD Overlay (TOD). The project is consistent with the adopted zoning and General Plan designations. It should be noted that the project was in the Redevelopment Project Area and subject to the dissolution of redevelopment State law criteria. As such, if the project is not built out as approved for senior housing with the low-income housing component, then the property is subject to a “clawback” by the Oversight Board and state Department of Finance. This scenario would result in the City paying these agencies for the property with an order to sell the land at its highest and best use with the proceeds distributed to other taxing entities. The City could possibly lose between \$12 million to \$18 million if the project is not built per the state.

SMSL has entered into a Letter of Intent with an institutional equity investor – The Wolff Company via its Wolff Real Estate Partners II, LP investment fund (Wolff), a major multifamily and senior housing investor and developer headquartered in Scottsdale, Arizona. Wolff will provide over \$23 million in equity funding for the project. This includes the estimated \$2 million in remaining pre-development costs and approximately \$21 million of equity required to construct, market, lease up and manage the stabilized operations of the Phase 1 project. SMSL selected Integral Senior Living LLC (ISL), a major senior housing operator, as Phase 1’s operator. ISL will advise on the final detailed design and provide marketing, leasing and staff to manage and operate the facility. Construction is anticipated to commence summer of 2016.

The adopted DDA contemplated the actions proposed and further allows for administrative approval of the requested extension of time as well as the transfer of the DDA majority interest to a third party partner of SMSL. The approved DDA anticipated the need for a possible time extension and the need to transfer the DDA interest to an equity partner and operator of the congregate care and assisted living complex.

The DDA allows for staff level approval of the SMSL request outlined below. Concurrent with these approvals, staff deemed it appropriate to update the City Council/Housing Authority on the project status and introduce the actual partners who will finance and operate the project. Specifically, SMSL is requesting implementation of the DDA terms as follows:

1. An extension of the DDA Closing Deadline for the Phase 1 Development from November 19, 2015 to June 30, 2017;

2. A commensurate extension of the DDA Commencement of Construction Due Date for the Phase 1 Development from December 19, 2015 to July 31, 2017;
3. A commensurate extension of the DDA Completion of Construction Due date for the Phase 1 Development from December 19, 2017 to July 31, 2019;
4. A commensurate extension of the DDA Commencement of Construction Due Date for the Phase 2 Development from December 19, 2019 to June 30, 2021;
5. A commensurate extension of the DDA Completion of Construction Due Date for the Phase 2 Development from December 19, 2021 to June 30, 2023;
6. A transfer of SMSL's interest in Phase 1 Parcel and Phase 1 Development under the DDA to a Joint Venture Entity between SMSL and The Wolff Company (or its affiliate), whose managing general partner will be The Wolff Company (or its affiliate), for the purpose of creating an ownership structure to obtain equity for development of the Phase 1 Development;
7. A transfer of SMSL's interest in Phase 2 Parcel and Phase 2 Development under the DDA to a joint venture entity between SMSL and The Wolff Company (or its affiliate), whose managing general partner will be The Wolff Company (or its affiliate), for the purpose of creating an ownership structure to obtain equity for development of the Phase 2 Development; and
8. Integral Senior Living (ISL) as the operator of Phase 1 Development.

Included in the agenda packet are: a memorandum regarding South Main Senior Lifestyles Project, a fact sheet from The Wolff Company, and an Integral Senior Living company profile.

Fiscal Impact: None.

Recommendation: Receive the update on the project, and comment on the administrative decision to implement the Disposition and Development Agreement allowing for extension of time and transfer of majority interest per the Agreement to The Wolff Company and Integral Senior Living as the operator for Phase I of South Main Senior Lifestyles.

XIV. PUBLIC HEARING

1. **Conduct a Public Hearing, Adopt a Resolution Approving a Water Conservation Plan, Approve a new Capital Improvement Project Entitled Water Conservation Program Project No. 7126, Approve a Budget Appropriation, Deny Request for Supplemental Water to Golf Courses and Adopt Urgency Ordinance No. 240.3 Adding Supplemental Water Use Restrictions and Penalties Per State Law (Staff Contact: Steven Machida, 408-586-3355)**

Background: The State of California is experiencing a severe multiple year water drought. On April 1, 2015, the Governor issued a Proclamation declaring a Continued State of Emergency due to severe drought conditions and requiring a statewide 25% reduction. The State Water Resources Control Board (SWRCB) has assigned a tentative specific conservation goal of 12% to Milpitas and adopted severe penalties for cities that fail to meet the conservation goal. Water retailers such as Milpitas, are also subject to severe penalties if they fail to perform mandated tasks, such as adopting conservation measures, responding to water waste complaints, and reporting.

The Santa Clara Valley Water District (SCVWD) is experiencing a severe water supply shortage. SCVWD Directors requested a water conservation target of 30% and implemented a penalty of 10 % for water used above contract amounts. San Francisco Public Utilities Commission

(SFPUC) requested a water conservation target of 10%. Last year, the City Council called for a 20% reduction in water use and the community achieved an average reduction of 9.4% in 2014, compared to 2013. Therefore, staff recommends a public outreach goal of reducing water use by **30%** to achieve our required reductions by the various agencies (SWRCB, SCVWD and SFPUC) listed above.

The SWRCB also adopted Resolutions No. 2015-0013 and No. 2015-0032 for Emergency Regulations for Statewide Urban Water Conservation and recently developed additional regulations for conservation and enforcement of conservation. The State recognizes that outdoor water use is discretionary and must be significantly reduced. The mandates require water retailers, such as the City of Milpitas, to implement their Water Shortage Contingency Plan and submit monthly reporting. Water retailers are required to educate customers and reduce water consumption. The City's Water Shortage Contingency Plan is included in the 2010 Urban Water Management Plan and was adopted by Council on June 7, 2011. The City moved from Stage 0 to Stage 2 on August 19, 2014. At this time, Staff recommends remaining at Stage 2. A memo comparing conservation efforts by other cities' is included in the Council packet.

Water Conservation Program: Implementation of a Water Conservation Plan (Plan) is recommended to achieve the goal of 30% consumption reduction and maintain compliance with State law. The proposed Plan includes several activities as described below.

#	Description	Estimated annual City cost	Water saved per year (in HCF, 748 gallons = 1 HCF)	Timeline to start
1	Add two technicians to respond to water waste complaints (response is State-mandated)	\$110,000	NA	1 month
2	Computer programming for State-mandated reports and revised billing	\$100,000 utility billing \$50,000 work order reporting	NA	2 months
3	Conservation Plan staff support	\$270,000	200,000 to 800,000 (10 to 30% range depending on plan selected)	1- 3 months
4	Convert City irrigation sites adjacent to the recycled water pipeline	\$200,000 (approx 10 sites)	12,000	3-6 months
5	Outreach	\$30,000		1-2 months
6	Install 4 new recycled water fill stations	\$40,000		1-2 months
	TOTAL	\$800,000		

The total cost of the proposed water conservation program is estimated at \$800,000 for the first year. A new Capital Improvement Program project - CIP No. 7126 titled Water Conservation Program – is recommended for tracking the costs. Budget appropriations of \$600,000 from the Water Fund and \$200,000 from the Park Fund are required to provide the needed funds.

Hillside Golf Courses: Two hillside golf courses in the Milpitas foothills received water supply termination notices from SCVWD. The golf courses appealed the SCVWD decision and are receiving smaller temporary allocations, contingent upon their continuing effort to work with the City and SCVWD to implement a permanent recycled water supply. The golf courses have submitted written requests to Milpitas for temporary emergency water supply (copies are included in the Council packet). Trucking of recycled water has been presented to the golf courses as another option, and was found to be expensive and infeasible due to the needed

volume of water. Groundwater well capacity in the hillside is limited and provides only a portion of the needed irrigation supply. The golf courses have implemented an efficient irrigation usage plan. A green belt in the Milpitas hillsides provides a buffer against wildfires. Unfortunately, the state's recent drought program mandates water use reduction in the City of Milpitas and fines are significant. As Milpitas must implement a program to meet the required reduction, there is insufficient water supply for the golf courses. At this time, the recommendation is to deny the requests from the golf courses for temporary emergency water supply. The City of Milpitas staff informed the golf courses of the recommendation for denial. However, staff is pursuing the extension of recycled water to the golf courses in conjunction with Spring Valley Summit Pointe.

Rationing Program: A rationing program is necessary to achieve a greater reduction in water consumption. Staff evaluated the various rationing programs listed in the Water Shortage Contingency Plan and recommends a hybrid approach. The existing residential rate structure has been effective, with residential accounts achieving a reduction of 7% overall (30% in the top tier). Consumption in the higher tiers represents outdoor usage, which must be reduced. A penalty equivalent to 10% of the fourth tier unit rate would be assessed on all usage in the fourth tier in addition to the regular unit rate. If the residential customer has zero usage in the fourth tier, then no penalty would be assessed. Residential customers who previously adopted conservation habits are not penalized. Commercial, industrial, and institutional indoor accounts would be assigned an allotment equal to 90% of their corresponding 2013 billing period usage. Usage equivalent to and below the allotment would be charged the regular unit rate. Usage above the allotment would be charged both the regular unit rate and a penalty equivalent to 10% of the regular unit rate. Irrigation accounts would be assigned an allotment of 50% of their corresponding 2013 billing period usage. Usage equivalent to or less than the allotment would be charged the regular unit rate. Usage above the allotment would be charged at both the regular unit rate and a penalty equivalent to 10% of the regular unit rate. Since most non-residential customers have separate irrigation accounts, this method achieves the State goal of reducing outdoor usage with minimal impact to businesses, jobs, and the overall economy. Recycled water accounts are exempt from the rationing program. The Director of Engineering would establish allotments for sites without 2013 consumption history based upon similar uses. There is no appeal process planned.

Conservation measures: On August 19, 2014, the City Council adopted Emergency Ordinance No. 240.2 to address the requirements at that time. They included these measures:

- Eliminates use of potable water for cleaning of any hard surfaces, such as sidewalks, streets, buildings, and parking lots
- Eliminates use of potable water for construction purposes such as dust control and compaction
- Eliminates construction of new swimming pools or ponds or initial filling of any swimming pool or pond (refilling due to evaporation or repairs is acceptable)
- Eliminates use of potable water for cleaning, filling, or maintaining levels in decorative fountains
- Eliminates use of potable irrigation of golf courses except greens and tees area
- Eliminates unlimited use of potable water for irrigation and reduces irrigation to 2 days per week, between 8 am to 8 pm, adjusted for Daylight Savings
- Defers installation of new landscape unless served by recycled water

New state regulations were reviewed by City staff and the City Attorney prepared Urgency Ordinance No. 240.3 amending Chapter 6 of Title VIII of the Milpitas Municipal Code (Water Conservation Ordinance) to implement the following additional potable water use restrictions and/or modifications to existing restrictions:

- Prohibit the application of (potable water) to outdoor landscapes during and within 48 hours after measurable rainfall.
- To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall

prominently display notice of this option in each guestroom using clear and easily understood language.

- Newly constructed homes and buildings must be designed with drip or microspray irrigation systems. (And no new planting shall be installed during the declared drought as stated in VIII-5-5.07 even if the project was approved prior to adoption of this ordinance).
- Prohibit the application of (potable water) to street medians containing ornamental turf.
- Eliminates hydrant flushing, except for health and safety reasons.
- Prohibits use of (potable water) for watering or irrigation of any plants, lawn, grass, landscaping or turf areas between hours of 8:00 pm and 8:00 am, adjusted for Daylight Saving hours and for no more than two days during any seven day period. Watering days shall be:

Odd address - Monday and Thursday

Even address - Tuesday and Friday

No address - Monday and Thursday

Short periods intended for timer adjustment and repair of irrigation system are exceptions to time/day restriction.

In addition, City Council authorized the City Manager or designee to approve a variation of the time/day schedule as submitted by the customers that satisfies the required declared reduction.

- Require the use of spa and pool covers (when not in use to prevent evaporation loss).
- Exceptions to the prohibitions enumerated may be granted in the discretion of the City Council.
- Non-compliance with water use restrictions of Title VIII, Chapter 6 is subject to Title I-1-14.09, Penalty Provisions and/or V-500-08, Administrative Citation.

A key revision is the requirement that irrigation shall take place during daylight hours. The purpose is to enable easy confirmation of watering on incorrect days. This requirement is being adopted by most of the water retailers in the South Bay and regional outreach will be performed.

The potable water prohibitions are not applicable to fountains and irrigation systems that use non-potable water such as recycled water landscaped areas. If recycled water is not available, potable water prohibitions are not applicable to landscape areas and green roofs that are required pollution treatment measures as defined in Municipal Regional Stormwater National Pollutant Discharge Elimination System Permit No CAS612008, C.3 Provision.

The urgency ordinance requires a vote of 4/5 to be adopted and becomes effective upon adoption. A copy of the SWRCB resolutions and proposed ordinance are included in the Council packet. A public hearing notice was published in the local newspaper.

California Environmental Quality Act: The action is not considered a project under CEQA as there will be no direct, or reasonably foreseeable indirect physical change in the environment.

Alternative: Failure to adopt these additional conservation measures may result in higher water consumption by the community and/or non-compliance of the mandated conservation levels could result in the state imposing financial penalties up to \$10,000 per day on the City.

Fiscal Impact: Budget appropriations of \$600,000 and \$200,000 are required from the Water Fund and Park Fund, respectively, into the proposed CIP No. 7126 titled Water Conservation Program.

Attachments:

- A. Resolution approving Citywide Water Conservation Plan
- B. Urgency Ordinance No. 240.3
- C. CIP No. 7126, water conservation program sheet
- D. Memorandum on water rationing program comparison
- E. Water Resources Control Board Resolution 2015-0013

- F. Water Resources Control Board Resolution 2015-0032
- G. Letters from Summitpointe and Spring Valley Golf Courses
- H. Budget Change Form

Recommendations:

1. Open the public hearing to receive comments.
2. Move to close the public hearing following all speakers.
3. Adopt a Resolution to (i) approve a Water Conservation Program, (ii) approve a new capital improvement program project No. 7126 titled Water Conservation Program; (iii) approve budget appropriations of \$600,000 from the Water Fund and \$200,000 from the Park Funds, and (iv) deny request from two Milpitas golf courses for temporary emergency water supply.
4. Following the City Attorney's reading of the title, move to waive the reading of Urgency Ordinance No. 240.3.
5. Adopt by at least four-fifths (4/5) vote Urgency Ordinance No. 240.3 adding Supplemental Water Use Restrictions Provisions and Penalties as required by state law to Chapter 6 of Title VIII of the Milpitas Municipal Code to be effective immediately.

XV. UNFINISHED BUSINESS

2. **Direct Staff to Issue a Request for Proposals for Collection and Disposal of Solid Waste, Recyclables and Organics, and Approve Amendment No. 1 to the Consultant Agreement with HF&H Consultants for Solid Waste Procurement Services in the Amount of \$49,925 for CIP No. 3401 (Staff Contact: Steven Machida, 408-586-3355)**

Background: On December 2, 2014, the City entered into an agreement with HF&H Consultants (HF&H) for \$55,525 for long-term planning of future solid waste services since the City's current contract with Republic Services expires in 2017. The consultant agreement expires in December 2019. On May 5, 2015, staff received Council direction regarding the policies governing and the content of the solid waste services Request for Proposal (RFP). Since then, staff and HF&H met with the Chamber of Commerce and members of the community to solicit input. The key goals include: provide a transparent and competitive process, maintain affordable and convenient services, and provide new and enhanced diversion programs as necessary to meet State mandates. The RFP identifies requirements and details enabling Proposers to develop costs to provide Base and Alternative Services. The RFP is 95% complete and is anticipated to be ready for issuance by the end of June.

It is now necessary to amend the consultant agreement to include the next phases of work. This effort involves developing a list of proposers, issuing the RFP, posting the RFP to a dedicated website, responding to proposer questions, and receiving and reviewing proposals. HF&H proposes to perform this work for a not-to-exceed amount of \$49,925, which staff finds reasonable. This increases the total amount under the agreement to a not-to-exceed amount of \$105,450.

California Environmental Quality Act: These actions are exempt from CEQA as there will be no physical change to the environment.

Alternative: Delay of direction and amendment approval negatively impacts the schedule to put in place the City's solid waste contract.

Fiscal Impact: None. There are sufficient funds in the project budget.

Recommendations:

1. Direct staff to issue a Request for Proposals for collection and disposal of solid waste, recyclables, and organics.
2. Approve Amendment No. 1 to the consultant agreement with HF&H Consultants for solid waste procurement services for \$49,925 for CIP No. 3401.

3. Receive a Report from Engineering Staff Regarding Residential Water and Sewer Rate Clarifications (Staff Contact: Steven Machida, 408-586-3355)

Background: On May 19, the City Council held a public hearing and introduced Water and Sewer Rate Ordinances No. 120.47 and No. 208.50 adjusting water and sewer rates. The Proposition 218 Rate Notice was subsequently mailed and the protest hearing and ordinance adoption are scheduled for the City Council to vote on August 4, 2015. Questions were raised by residents at the May 19 and June 2 Council meetings regarding the proposed residential water and sewer rates. This report provides clarification regarding the residential rates.

Water Rate Clarification:

Question W1: Do single family and multi-family customers pay a different rate for water?

Answer W1: Not really. The water rate has two parts, a fixed charge based upon the size of the water meter, and a quantity charge based upon the volume of water used. Multi-family customers typically have larger meters (to match the larger demand of several households simultaneously) and therefore pay a larger fixed fee. However, the fixed fee per dwelling unit is often less than the fixed fee for a smaller single family meter because the cost is shared over more dwelling units. All residential customers are charged the same tiered rates for water volume per dwelling unit (DU). The table below compares both the total cost and cost per dwelling unit for a single family dwelling with an 80 dwelling multi-family account with low water consumption (8 hundred cubic feet (hcf) per dwelling unit), average water consumption (17 hcf per dwelling unit), and high water consumption (44 hcf per dwelling unit). As shown in the table below, the single-family household pays a fixed charge of \$27.91 every two months for their water meter. Since the eighty multi-family apartments in this example share a meter, they pay a fixed charge of \$2.32 per household every two months for their water meter. The \$25.59 savings (\$27.91 - \$2.32) is apparent in the cost per dwelling unit comparison shown (below).

Low Water Use

Type (# dwelling units)	Volume used hcf	Volume and Cost by Tier	Meter cost (size)	Total cost	Cost per dwelling unit
Single (1 du)	8	Tier 1 8 x \$3.62 = \$28.96 Tier 2 0 Tier 3 0 Tier 4 0	\$27.91 per DU (5/8 inch)	\$56.87	\$56.87
Multi (80 du)	640	Tier 1 640 x \$3.62 = \$2,316.80 Tier 2 0 Tier 3 0 Tier 4 0	\$185.59 (3 inch) \$2.32 per DU	\$2,502.39	\$31.28

Average Water Use

Type (# dwelling units)	Volume used hcf	Volume and Cost by Tier	Meter cost (size)	Total cost	Cost per dwelling unit
Single (1 du)	17	Tier 1 10 x \$3.62 = \$36.20 Tier 2 7 x \$4.60 = \$32.20 Tier 3 0 Tier 4 0	\$27.91 per DU (5/8 inch)	\$96.31	\$96.31
Multi (80 du)	1360	Tier 1 800 x \$3.62 = \$2,896.00 Tier 2 560 x \$4.60 = \$2,576.00 Tier 3 0 Tier 4 0	\$185.59 (3 inch) \$2.32 per DU	\$5,657.59	\$70.72

High Water Use

Type (# dwelling units)	Volume used hcf	Volume and Cost by Tier	Meter cost (size)	Total cost	Cost per dwelling unit
Single (1 du)	44	Tier 1 10 x \$3.62 = \$36.20 Tier 2 10 x \$4.60 = \$46.00 Tier 3 10 x \$6.47 = \$64.70 Tier 4 14 x \$7.30 = \$ 102.20	\$27.91 per DU (5/8 inch)	\$277.01	\$277.01
Multi (80 du)	3,520	Tier 1 800 x \$3.62 = \$2,896.00 Tier 2 800 x \$4.60 = \$3,680.00 Tier 3 800 x \$6.47 = \$5,176.00 Tier 4 1,120 x \$7.30 = \$8,176.00	\$185.59 (3 inch) \$2.32 per DU	\$20,113.59	\$251.42

Sewer Rate Clarifications:

Question S1: Is our sewer rate model outdated?

Answer S1: No, our rate model is not outdated. We follow current State requirements regarding our cost allocation model. Our 1975 residential flow estimates were updated with the 2014 Residential Flow Study (see Question S3b below) and are reflected in our proposed FY 2015-16 rate structure.

Question S2: What is the basis for calculating the rates?

Answer S2: Four treatment parameters consisting of flow, biochemical oxygen demand (BOD), suspended solids (SS), and ammonia (NH3) are calculated for each of the 27 customer classes (such as restaurants, office buildings, electronic manufacturers). Capital and operating costs are applied to each of the parameters. The total cost is divided by the four parameter units to get the unit rate.

For example, let's look at a simplified equation for restaurants to understand how the costs are allocated. Each other type of customers has a similar equation.

$$\begin{array}{ccccccc}
 \text{Total sewage cost for all restaurants in the City} & = & \text{Total Sewage Flow from Restaurants} & \times & \text{Cost to Convey, Treat, and Dispose of Sewage} & + & \text{Total Amount of Suspended Solids (e.g. toilet paper and food scraps) in Restaurant Sewage} & \times & \text{Cost to Convey, Treat, and Dispose of Suspended Solids} & + & \text{Same Calculations for BOD and NH3 ...}
 \end{array}$$

This total cost is then divided by the total flow to calculate the unit rate for each unit of sewage flow from restaurants.

Question S3: How is the flow parameter determined for each customer class?

Answer S3a Non-Residential: We use water billing records for the non-residential customers to determine flow. For most non-residential customers, the sewer discharge is equivalent to the water demand. This assumption is not true for customers who use water in their products, such as concrete manufacturing and food processing. These customers are eligible for the City's Sewer Flow Adjustment Program and a reduction factor is applied to their flow.

Answer S3b Residential: Since it is not possible to monitor the sewage flow from each residence, there are several generally accepted methods to estimate the flow. The partner agencies of the regional wastewater treatment plant estimate flow based upon an assumed average population per household and assumed flow per person. The City of San Jose recently completed a residential flow study that updated population per dwelling unit and per capita discharge from 1975 data. The flow study recommendation is shown in the table below:

	1975 Flow Estimates			2014 Flow Estimates		
	No. of persons	Flow per person gallons per day (gpd)	People x flow per person = gpd per household	No. of persons	Flow per person gpd	People x flow per person = gpd per household
Single family	3.37	65	219	3.54	51	181
Multi-family	2.05	60	123	2.73	51	139
Mobile homes	1.90	65	124	2.24	63	141

The result is a reallocation of costs between all customer categories. Rates for most commercial and industrial customers decrease and the mobile home sewer rate increases at a faster rate than the single family or multi-family customers. The Residential Flow Study states that the water consumption data for Milpitas mobile home parks is inconsistent and was therefore disregarded. A weighted average of the San Jose and West Valley data is used for Milpitas. This data is used to determine the Milpitas share of costs at the regional wastewater treatment facility.

Staff investigated the mobile home park water consumption and agrees that the data is inconsistent. The water meters at the three mobile home parks are past their useful life and are scheduled to be replaced. Staff is having difficulty in collecting mobile home water consumption from neighboring agencies to use in determining a reasonable range for use in the interim until actual data is available. Mobile home usage ranges from 83 gallons per day (GPD) per household to 157 GPD per household for six Bay Area communities. In parallel, staff is evaluating a quote to perform sewer flow metering to evaluate mobile home discharge, although flow metering will be delayed until VTA-BART construction is completed on Dixon Landing. For the purpose of this single year rate analysis, staff recommends using 2.24 persons per household from the San Jose Study and 51 gallons per day per capita (gpdpc) (instead of 63 gpdpc) to set the mobile home park sewer rate. The 51 gpdpc is equivalent to the Milpitas single and multi-family values and is more closely aligned with the lower water use per capita that is seen in Milpitas mobile home parks. The more accurate data from the new water meters and sewer flow monitoring will be incorporated into future rate analyses.

The data shown in the table below was used to calculate the FY 2015-16 sewer rates.

	No. of persons	Flow per person gallons per day (gpd)	People x flow per person = gpd per household
Single family	3.54	51	181
Multi-family	2.73	51	139
Mobile homes	2.24	51	114

Question S4: Why are single family sewer rates higher than multi-family sewer rates?

Answer S4: The difference between single family and multi-family rates is the number of people per household as shown in the table in Answer S3b.

Question S5: How are the BOD, SS, and NH3 parameters calculated for each class?

Answer S5: For most customer classes, these parameters are assigned by the City of San Jose based upon industry standards and State-accepted values. For example, sewage waste from residential customers contains more suspended solids than sewage waste from office buildings.

Unique customers, such as semiconductor manufacturers, are sampled by the City of San Jose to verify their parameters.

Recommendation: Receive a report from Engineering staff in order to clarify rate calculations for water and sewer rates charged to City of Milpitas customers.

XVI. REPORTS OF MAYOR AND COMMISSIONS

*** 4. Consider Mayor's Recommendations for Re-appointments to City of Milpitas Commissions (Contact: Mayor Esteves, 408-586-3029)**

Background: Mayor Esteves recommends the following:

Emergency Preparedness Commission:

1. Re-appoint Mike Berryhill as a regular voting member to a term that will expire in June 2018.
2. Re-appoint Evelyn Chua as a regular voting member to a term that will expire in June 2018.
3. Re-appoint Nasir Lalani as a regular voting member to a term that will expire in June 2018.
4. Re-appoint Jonathan Nakapalau as Alternate No. 1 to a term that will expire in June 2017.
5. Re-appoint Christine Tran as Alternate No. 2 to a term that will expire in June 2017.

Library Advisory Commission:

1. Re-appoint Marie Pham as a regular voting member to a term that will expire in June 2017.
2. Re-appoint Nonie McDonald as Alternate No. 2 to a term that will expire in June 2017.

Parks, Recreation and Cultural Resources Commission:

1. Re-appoint Steve Munzel as a regular voting member to a term that will expire in June 2018.
2. Re-appoint Rohit Sharma as a regular voting member to a term that will expire in June 2018.

Recommendation: Receive Mayor's recommendations and move to re-appoint current members on three City of Milpitas Commissions.

5. Hear Report from the City Council's City Attorney Subcommittee (Contact: Council member Giordano, 408-586-3032)

Background: The City Attorney Subcommittee, chaired by Councilmember Giordano and including Councilmember Grilli, has held two recent meetings and reviewed costs of the City Attorney's office including outside legal counsel expenditures. On June 5, 2015, the subcommittee made a recommendation to City Council to direct staff go out with a Request for Proposals (RFP) for City Attorney services to seek a contract for outside City Attorney. The Subcommittee would like to receive proposals due by July 31, 2015, to review those, and to subsequently return to Council with a recommendation on August 20, 2015. Background material on costs for this department presently and in the past is included in the agenda packet.

Recommendation: Hear report from Councilmember Giordano at the Council meeting, and vote on the recommendation from the City Attorney Subcommittee.

*** 6. Approve the 2016 Work Plan of the Community Advisory Commission (Staff Contact: Tim Wong, 408-586-3286)**

Background: The Community Advisory Commission (CAC) serves as an advisory body on matters affecting Milpitas citizens, especially matters relating to community improvement.

The CAC hosts a number of annual activities including the Spring Cleaning Day in April and the Make a Difference Day in October. Commissioners serve as the recommending body to the Council for Community Development Block Grant funding applications and for the

Neighborhood Beautification Awards nominations. At the May 6 CAC meeting, Commissioners reviewed the proposed Work Plan and recommended some revisions to their Annual Plan. The CAC recommended removing Heritage Tree nominations and Adopt-A-Neighborhood tasks since there has not been much activity in either of those areas. The CAC also decided to consolidate a number of short term public outreach goals into a singular goal. The Commission unanimously voted to approve the draft 2016 CAC Work Plan.

Fiscal Impact: None. There is no fiscal impact associated with this action.

Recommendations: Accept and approve the 2016 Community Advisory Commission Work Plan.

*** 7. Authorize and Approve Changes to the By-Laws of the Emergency Preparedness Commission (Staff Contact: Sean Simonson, 408-586-2810)**

Background: The Emergency Preparedness Commission recommends that the City Council approve changes to its by-laws in order to clarify Commissioner participation with meetings, events and projects. These recommended changes adjust the language in the Emergency Preparedness Commission by-laws to better depict the current and future membership of the body.

Recommendation: Approve changes to the Emergency Preparedness Commission By- Laws as recommended by Commissioners.

XVII. NEW BUSINESS

8. Receive Report on Status of Ballot Measures T and Z, Relating to Urban Growth Boundaries and Urban Service Areas and Provide Direction to Staff (Staff Contact: Bill Ekern, 408-586-3273)

Background: In 1998, the City Council placed a measure on the November ballot, known as Measure Z, that when passed required an ordinance amending the General Plan Land Use Plan to create an Urban Growth Boundary that would be effective for twenty years. This action limited the development with the City of Milpitas to the valley floor and the base of the foothills by prohibiting city services, such as police, fire, sewer, and water to new land use developments in the hillside area. In 2004, the City Council placed a measure on the November ballot, known as Measure T that required any amendment to the Hillside Ordinance be approved by the voters of the City of Milpitas. This measure, as with Measure Z, has a termination date of December 31, 2018.

Based on the language of the ordinances and ballots, staff believes that new sunset dates can only be set by returning to the voters, rather than the Council simply amending the adopted ordinances.

The City Council at its meeting on May 19, 2015, directed staff to return with an analysis of these ordinances to enable Council discussion addressing the sunset of these two land use ordinances.

Fiscal Impact: Should the City Council determine that placing these questions before the voters in an election, there would be the costs of the election.

Recommendation: Review material provided in the agenda packet and provide direction to staff regarding steps to either extend the requirements of these ordinances or to allow the ordinances to sunset.

9. Receive Quarterly Economic Development Report (Staff Contact: Edesa Bitbadal, 408-586-3052)

Background: The goal of the Economic Development Quarterly report is to update and inform the City Council and the public of the Economic Development Division activities and the Economic Development Workplan's progress.

Recommendation: Receive and accept the Quarterly Economic Development Quarterly report from the Economic Development Manager.

*** 10. Consider Request from Alliance Renewal Kingdom Ministries for a \$500 Donation Toward ARK SAM Camp held August 3–7, 2015 (Staff Contact: Mary Lavelle, 408-586-3001)**

Background: On May 28, 2015, the City Clerk received a "Donation or Fee Waiver/Reduction Request Application Form" from Alliance Renewal Kingdom Ministries. The request to the City Council is for a cash donation of \$500 towards its summer ARK Science Arts Math Camp program held at Milpitas Christian School in San Jose, August 3–7, 2015.

Fiscal Impact: \$20,000 was approved and included in the FY 2014-15 City budget for City Council's Unallocated Community Promotions. If the current donation is approved, then \$12,360.25 would be the remaining balance.

Recommendation: Approve a donation of \$500 to Alliance Renewal Kingdom Ministries for its SAM camp in the summer.

*** 11. Consider Request from South Bay Kids Music Group to Waive Fees of \$1,480 for "We've Got the Music" Fundraising Event on July 11, 2015 (Staff Contact: Mary Lavelle, 408-586-3001)**

Background: On June 4, 2015, the City Clerk received a "Donation or Fee Waiver/Reduction Request Application Form" from South Bay Kids, a local non-profit organization. The request to the City Council is to waive the fees for rental of the Community Center Auditorium on Saturday July 11, 2015 for the group's "We've Got the Music" special fundraising concert event. The IRS non-profit status letter was provided and a copy is included with the group's application (in agenda packet).

Fiscal Impact: \$20,000 was approved and included in the FY 2014-15 City budget for City Council's Unallocated Community Promotions. If the current fee waiver is approved along with the donation requested above, then \$10,880.25 would be the remaining balance.

Recommendation: Waive the fees of \$1480 for rental of Community Center Auditorium for South Bay Kids music group fundraiser on July 11, 2015.

XVIII. ORDINANCES

*** 12. Waive the Second Reading and Adopt Ordinance No. 65.144 Regarding Solar Permit Streamlining Per State Law (Staff Contact: Keyvan Irannejad, 408-586-3244)**

Background: On June 2, 2015, the City Council introduced Ordinance No. 65.144 to implement state law Assembly Bill 2188 related to streamlined permitting process for small residential rooftop solar energy systems. No changes have been made to the ordinance since its first reading.

Recommendation: Waive the second reading and adopt Ordinance No. 65.144 regarding solar permit streamlining.

- * 13. **Waive the Second Reading and Adopt Ordinance No. 208.51 to Amend the Milpitas Sanitary Code (Staff Contact: Steven Machida, 408-586-3355)**

Background: On June 2, 2015, the City Council introduced Ordinance No. 208.51 to amend Section VIII-2-5.38 of the Milpitas Municipal Code, relating to the Sanitary Sewer regulation, to comply with current regulatory requirements established by the Water Pollution Control Plant's National Pollutant Discharge Elimination System permit. No changes were made to the ordinance as introduced on June 2, 2015. Therefore, Ordinance No. 208.51 is now ready for adoption by the Council.

Recommendation: Waive the second reading and adopt Ordinance No. 208.51 amending Section VIII.2-5.38 of the Milpitas Municipal Code.

XIX. RESOLUTIONS

- * 14. **Adopt a Resolution Granting Initial Acceptance of, and Reducing the Performance Bond for McCarthy Blvd. Lighting & Landscape Improvements Phase 1, Project No. 3402, and Granting Authorization to the Director of Engineering to Issue the Notice of Final Acceptance after the One-Year Warranty Period and to Release the Performance Bond (Staff Contact: Steve Erickson, 408-586-3301)**

Background: The City Council awarded the McCarthy Blvd. Lighting & Landscape Improvements Phase 1, Project Numbers 3402 to Suarez & Munoz Construction, Inc. on December 4, 2014. The project provided for the rehabilitation of portions of irrigation and lighting systems, landscaping, and correct deficiencies to comply with current regulations at the intersection of South Ranch Drive and McCarthy Boulevard and the northern monument sign location on McCarthy Boulevard near the City limits. The project was successfully completed. Staff recommends the City Council adopt a resolution granting initial acceptance of the project and authorize the reduction of the contractor's faithful performance bond to \$35,284.52, which is 10% of the final contract value. Staff also recommends the City Council authorize the Director of Engineering to issue the Notice of Final Acceptance and to release the performance bond after the one year warranty period without further City Council action, provided all warranty work is completed to the satisfaction of the Director of Engineering.

Alternative: A denial of this request would result in the project not being accepted and would result in the Notice of Completion not being filed and a potential delay claim by the Contractor.

Fiscal Impact: None.

Recommendation: Adopt a resolution granting initial acceptance of the McCarthy Blvd. Lighting & Landscape Improvements, Projects No. 3402, subject to a one year warranty period, and reduction of the faithful performance bond to \$35,284.52; and granting authorization to the Director of Engineering to issue the notice of final acceptance after the one-year warranty period and to release and discharge the performance bond without further City Council action.

- * 15. **Adopt a Resolution Approving Plans and Specifications, Awarding a Contract to Preston Pipelines for Automated Water Meter Replacement (Phase 1), Project No. 7121, and Authorize Director of Engineering to Execute Contract Change Orders (Staff Contact: Steve Erickson, 408-586-3301)**

Background: Plans and specifications for the Automated Water Meter (Phase 1), Project No. 7121 are completed. The project provides for the replacement of old water meters servicing the Pioneer Mobile Home Park on Dixon Landing Road and Mobilodge on North Milpitas Boulevard. A total of three new automated water meters will be installed. The meters at these locations are very old, and the new replacement meters are more accurate in documenting water consumption, and their automation would aid efficiency to the City's meter reading program. The

engineer's estimate for construction was \$320,000. A copy of the title sheet of the project plans (included in the Council's agenda packet) and the complete set of plans and specifications are available for review in the City Engineer's office.

The project was advertised and one sealed bid proposal was received on May 14, 2015. The responsive one base bid was submitted by Preston Pipelines in the amount of \$308,600. No protest was filed.

As was previously approved for the successful completion of recent projects with tight completion schedules, staff is requesting the use of the same change order policy (copy of policy is included in the Council agenda packet). This policy allows for the timely completion of the Automated Water Meter (Phase 1) Project, while addressing the need to respond swiftly to construction conditions and approving necessary change orders, in order to limit potential claims or risk to the City. The construction contingency established for this project is \$46,000; approximately 15% of the total contract value, and the change order authority would not exceed this amount and would not require an additional appropriation.

Alternative: Failure to adopt the resolution would result in older water meters at mobile homes not being replaced with new more accurate technology that would provide improved water use documentation.

California Environmental Quality Act: This project is categorically exempt under Section 15301 of the CEQA guidelines for maintenance of existing facilities.

Fiscal Impact: None. Sufficient funds are available in the project budget.

Recommendation: Adopt a resolution:

1. Approving the Plans and Specifications for Automated Water Meter (Phase 1), Project No. 7121;
2. Awarding a contract to Preston Pipelines and authorize the City Manager to execute the contract for the Automated Water Meter (Phase 1), Project No. 7121, in the amount of \$308,600.00; and
3. Authorizing the Director of Engineering to negotiate execute contract change orders for Automated Water Meter (Phase 1), in the cumulate amount not to exceed \$46,000.

*** 16. Adopt a Resolution to Release Unclaimed Checks (Staff Contact: Gabrielle Tsang, 408-586-3131)**

Background: According to City of Milpitas' Standard Operating Procedure No. 26-1, which conforms to California Government Code Section 50055, unclaimed checks of less than \$15, or any amount if the depositor's name is unknown, which remain unclaimed for more than one year may be transferred to the General Fund by authorization of the City Council. A list of unclaimed checks and credits of less than \$15, which remain unclaimed for more than one year, is included in the Council's agenda packet.

Fiscal Impact: The recommended action will increase General Fund revenues by \$3,487.34.

Recommendation: Adopt a resolution transferring a total of \$3,487.34 in unclaimed checks and credits, per the list generated by the City's Finance Department to the General Fund and according to standard operating procedure.

*** 17. Adopt a Resolution Approving Condition of Approval Language Requiring New Residential Development Projects be Subject to a Future Affordable Housing Ordinance (Staff Contact: Michael Ogaz, 408-586-3040)**

Background: At its meeting of June 2, 2015, the City Council directed staff to prepare condition of approval language subjecting all residential development projects not yet in the pipeline to a future affordable housing ordinance. The ordinance cannot be adopted without a nexus study determining how development projects impact the need for affordable housing. It will take many months to complete the nexus study and in the interim this condition will give notice to new residential project applicants that they will be subject to the new ordinance when it is adopted. This proposed condition provides notice to residential developers of the anticipated effect of the future ordinance so that they will have a specific idea of what level of affordable housing will be expected of them for residential developments. The proposed condition of approval will only apply to residential developments or to the residential portion of mixed-use developments.

Fiscal Impact: Revenue neutral but should augment the affordable housing stock within the City of Milpitas

Recommendation: Adopt a resolution approving condition of approval language requiring new residential development projects to be subject to a future affordable housing ordinance.

XX. AGREEMENTS & BIDS

*** 18. Approve Amendment No. 5 to the Master Agreement with County of Santa Clara for the Senior Nutrition Program (Staff Contact: Stephanie Douglas, 408-586-3226)**

Background: The City of Milpitas has contracted with the County of Santa Clara to help implement the Senior Nutrition Program since March 1978. The parties entered into a Master Agreement in July 2011 to implement the Senior Nutrition Program, which has subsequently been amended four times and will expire on June 30, 2015. This program serves seniors, sixty years and older, 249 days per year, an average of 90 meals per day, for a total of 22,410 meals per year. The total budget for the FY 2015-16 Nutrition Program is \$170,307. Under the proposed Amendment No. 5 to the Master Agreement for the Senior Nutrition Program, the City of Milpitas and the County of Santa Clara would equally share the cost of the program for FY 2015-16, which would amount to a burden of \$85,123 each (after reimbursements), as outlined in Amendment No. 5. Under the Master Agreement, the City would initially pay all costs and the County would reimburse the City its 50% cost share after the receipt of invoices and other documentation.

Fiscal Impact: None. Sufficient funds have been budgeted in the Recreation Services Department FY 2015-16 operating budget.

Recommendation: Approve Amendment No. 5 to the Master Agreement with the County of Santa Clara for the Senior Nutrition Program extending the term to June 30, 2016.

*** 19. Authorize Renewal of Agreement for Excess Workers' Compensation Insurance Contracted via Brown & Brown of California and Authorize Payment (Staff Contact: Emma Karlen, 408-586-3145)**

Background: The City carries excess workers' compensation insurance in accordance with state law. The City's insurance broker is Brown & Brown of California which was able to retain coverage through Safety National Casualty Corporation for fiscal year 2015-16. For the last fiscal year 2014-15, the cost of the excess workers' compensation was \$126,878. This year, payroll has an overall increase of approximately 4.58%. The City's self-insured retention is \$1,000,000 for Safety employees and \$750,000 for Miscellaneous employees. The renewal premium for fiscal year 2015-16 is \$132,691 and is based on the City's payroll.

Fiscal Impact: None. There are sufficient funds allocated in the Human Resources Department FY 2015-16 budget.

Recommendation: Authorize the City Manager to pay Brown & Brown of California the premium rate of \$132,691 and authorize Safety National Casualty Corporation to provide for the City's excess workers' compensation insurance for FY 2015-16.

*** 20. Authorize the Purchase of LED Retrofit Street Light Fixtures for a Total Amount of \$206,625 from HD Supply Power Solutions (Staff Contact: Chris Schroeder, 408-586-3161)**

Background: The City's Purchasing Agent worked with the Engineering Department to develop an Invitation For Bid soliciting 1,750 LED Retrofit Street Light Fixtures (1,250 in 70 watts and 500 in 100 watts). This purchase is for Phase II of the CIP 4266 Street Light Improvement Project to convert street lighting to more energy efficient lighting. On April 17, 2015, IFB #2090 was advertised in the local newspaper, on the City website and through the *Public Purchase* website. On May 22, 2015, eight bidders responded to the IFB, with two bidders including an alternate bid and one being disqualified for failure to submit required documentation. Here is a summary of the qualified bids received:

Bidder	Total Bid Amount
Azco Supply, Inc.	\$226,947.66
Azco Supply, Inc. (Alt.)	\$226,947.66
West-Lite Supply Company	\$226,414.78
Graybar Electric Co., Inc.	\$225,520.31
JAM Services	\$236,805.84
Omega Pacific Electrical	\$227,385.38
Stewart Electric Supply, Inc.	\$229,954.59
HD Supply Power Solutions, LP	\$311,160.94
HD Supply Power Solutions, LP (Alt.)	\$206,625.00

Apparent low bidder, HD Supply Power Solutions LP, provided street light fixtures for other municipalities throughout California. Its bid was deemed the lowest responsible and responsive bid of those submitted. After posting the Notice of Intent to Award (Pending Bid Results), there was no protest filed.

Fiscal Impact: None. This purchase will be funded by CIP Project No. 4266 Street Light Improvement Project.

Recommendation: Authorize the purchase of 1,750 LED retrofit street lights in the total amount of \$206,625.00 from HD Supply Power Solutions.

*** 21. Approve Agreements with Nine Vendors for FY 2015-16 Recreation Services Programs (Staff Contact: Dale Flunoy, 408-586-3228)**

Background: Recreation Services staff has nine individual vendor agreements for classes and camps whose payment exceeds \$20,000. The proposed agreements are between the City of Milpitas and Barry Poole, Noteworthy Music, Jensen Performing Arts, Music Together (Irene Saxe), Communication Academy, Mad Science of the Bay Area, South Bay Scholars, Bay Area Gurukul, LLC and Center Stage Performing Arts. The vendor companies provide personnel, instruction, and supplies for their contracted Recreation Services classes and camps.

City Council is requested to approve nine agreements with the nine vendors for amounts noted:

- 1) Communication Academy – \$22,000.00
- 2) Mad Science of Bay Area – \$22,500.00
- 3) Barry Poole (tennis instructor) – \$40,000.00
- 4) Irene Saxe and Music Together – \$24,000.00

- 5) Noteworthy Music – \$35,000.00
- 6) South Bay Scholars Basketball Camps – \$22,000.00
- 7) Jensen Performing Arts – \$90,000.00
- 8) Center Stage Performing Arts – \$30,000.00
- 9) Bay Area Gurukul, LLC - \$90,000.00

Fiscal Impact: None. Funds were approved by the City Council in the FY 2015-16 budget and are available in the Recreation Services operating budget for the payment of these services.

Recommendation: Approve nine separate agreements between the City of Milpitas and the nine vendors for classes and camps in their appropriate dollar amounts for Fiscal Year 2015-16.

*** 22. Approve a Non-Exclusive Collection, Transportation and Recycling of Non-Putrescible Debris Agreement with Recology South Bay (Staff Contact: Steven Machida, 408-586-3355)**

Background: In accordance with Title V, Chapter 200 of the Milpitas Municipal Code, debris box haulers are required to enter into a standard agreement with the City in order to gain the right to collect and dispose of non-organic waste and/or construction and demolition debris from Milpitas residential and commercial sites.

Staff reviewed the application from Recology South Bay (Recology) and found it in accordance with the City's requirements. Recology intends to haul general debris box waste such as construction and demolition waste and will pay a fee of 12% of gross receipt to the City for the right to collect the construction and demolition debris. The term of the agreement will be for one year with authority for staff to administratively review collections under the agreement and grant a maximum of five one-year extensions upon a finding of compliance with its terms.

California Environmental Quality Act: This matter is exempt from CEQA.

Alternative: Milpitas residential and commercial customers will have a shorter list of optional debris box haulers for price and service comparison.

Recommendation: Approve a Non-Exclusive Collection, Transportation and Recycling of Non-Putrescible Debris Agreement with Recology South Bay.

*** 23. Reject the Apparent Low Bid from OnPoint Construction, Authorize Staff to Repackage and Re-advertise 2014 Soundwall Renovation Project No. 4267 (Staff Contact: Steve Erickson, 408-586-3301)**

Background: On April 21, 2015, the City Council approved the project plans and specifications and authorized the advertisement for construction bid proposals for 2014 Soundwall Renovation, Project No. 4267. The project provides for renovation and repair of City owned precast concrete soundwalls along Jacklin Road and adjacent to Del Rio Court and Tularcitos Creek. The Engineer's Estimate for the project was \$375,000.

The project was advertised and only one sealed bid proposal was received on May 13, 2015. The apparent low bid was submitted by OnPoint Construction in the amount of \$594,827.00. Staff has performed an investigation and outreach to contractors to determine the reasons for only receiving a single bid with the high price. Apparently, the job market demand for painting, and precast soundwall work is high at this time, and contractors have a full work schedule such that they are not actively bidding new work. Staff believes the single high priced bid may not represent a true and accurate cost for the work requested under this project, and better bid proposals may be received bidding at a later time. Therefore, Staff recommends a rejection of the single apparent low bid from OnPoint Construction, and to authorize staff to revise, repackage, and re-advertise the project plans and specifications for bid proposals.

Alternative: Denial of this request would result in award to the single low apparent bid as required by law.

Fiscal Impact: None. Sufficient funds are available in the project budget for these services.

Recommendations:

1. Reject the apparent low bid from OnPoint Construction in the amount of \$594,827, and
2. Authorize staff to repackage and re-advertise the project for bid proposals for the 2014 Soundwall Renovation, Project No. 4267.

*** 24. Approve Two Consultant Agreements and Amendment No. 2 to an Agreement with RMC Water and Environment for Engineering Services Related to Recycled Water Pipeline Extensions, Conversion of Augustine Park and Community Garden to Recycled Water, and Backfill Staff Support Totaling \$551,351, and Approve a Budget Appropriation for CIPs No. 7118 and No. 7126 (Staff Contact: Steven Machida, 408-586-3355)**

Background: This report includes three agreements with RMC Water and Environment. City Council is requested to approve four actions to continue the work described herein:

1. Approve a consultant agreement with RMC Water and Environment (RMC) to prepare preliminary engineering design documents for planned recycled water pipeline extensions easterly across I-680 and into the Milpitas hillsides. These documents will also serve as the basis for external grant and loan funding applications.
2. Approve a consultant agreement with RMC to prepare plans to convert Augustine Park and the Community Garden to recycled water. This effort is included in the proposed Water Conservation Program discussed elsewhere on this agenda.
3. Approve Amendment No. 2 to the consultant agreement to provide part-time staff assistance.
4. Approve a budget appropriation of \$482,792.

The proposed work is described in more detail below.

1. **Background of the first action CIP No. 7118:** On May 5, 2015, the City Council received a staff report on Water Supply Augmentation, and directed staff to continue with the work plan tasks for conservation, recycled water, and ground water wells. The City planned recycled water pipeline extensions east of I-680 to serve schools, parks, hillside golf courses and general landscaping for an estimated cost of \$37 million. The State is currently developing several funding programs for recycled water projects, and anticipates receiving applications this summer for Proposition 1 and State Revolving Loan funds. Staff reviewed preliminary guidance information and determined that several documents are required to be prepared and submitted with the applications for recycled water funding. RMC was selected from the City's list of consultant engineers to prepare these documents for the following reasons: RMC's past experience in preparing these documents for other agencies, RMC is designing the first phase of the recycled water pipeline extension, and RMC recently prepared the Recycled Water Master Plan Update for South Bay Water Recycling and the Santa Clara Valley Water District.

The work consists of reviewing proposed pipeline alignments and hydraulic modeling results, pump station and tank siting, customer coordination and documentation, environmental documents, mapping, preliminary design, construction cost estimates, and preparation of Proposition 1 funding application. Most of these documents are necessary for preliminary engineering design, even if the City were not pursuing outside funding. The work is estimated to cost \$482,792.

California Environmental Quality Act: The project is exempt under CEQA Guidelines Section 15262 (Feasibility and Planning Studies).

Alternative: The consultant agreement and budget appropriation are needed in preparation for the City's application for outside funding for planned recycled water pipeline extensions. If the agreement and appropriation are not approved the project would not proceed.

Fiscal Impact: A budget appropriation from the Water Fund is necessary to begin the work. There are sufficient reserves in the Water Fund; however the balance may temporarily drop below the level established by Council policy (30% of operating costs). The proposed water rates include costs for a possible \$15 million bond program. The Water Fund may be reimbursed from the water revenue bond proceeds when issued. Staff is also pursuing grants and loans.

2. **Background of the second action CIP No. 7126:** As noted elsewhere on this agenda, the water supply shortage is serious. One aspect of the proposed Water Conservation Program is to convert irrigation sites from potable water to recycled water use. Staff has identified a priority list of City-maintained irrigated sites, such as parks and street medians, currently served by potable water that could be converted to recycled water use. Plans, showing conversion details, must be submitted to South Bay Water Recycling (SBWR) and the State Water Resources Control Board (SWRCB) for approval. Two of the priority sites are Augustine Park and the Community Garden, which are served by a common irrigation meter. Recycled water use for vegetable gardens is allowed by both SBWR and the SWRCB but the SWRCB also requires a potable water sink for vegetable rinsing. The Guadalupe Community Garden located in San Jose has been using recycled water since 2008.

In order to expedite the conversion process, two consultants were selected from the Engineering Division's consultant list. It is recommended to divide preparation of conversion plans between the two consulting firms. RMC Water & Environment was selected for conversion of Augustine Park and the Community Garden. The proposed agreement is in the amount of \$26,559 for a term from June 16, 2015 to June 30, 2016.

California Environmental Quality Act: The project is exempt under the following Sections of the CEQA Guidelines:

- Section 15302(c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity
- 15303(d) Water main and other utility extensions of reasonable length to serve new construction or conversion of small structures
- 15304(b) Minor alterations to land including new gardening or landscaping, including the replacement of existing conventional landscaping with water efficient or fire resistant landscaping
- 15307 Actions By Regulatory Agencies for Protection of Natural Resources

Fiscal Impact: None. The funding for this work is subject to budget appropriation approval in the public hearing matter on this agenda, regarding water conservation.

3. **Background of the third action:** On October 7, 2014, the City entered into an Agreement with RMC Water and Environment, Inc for support to backfill City staff vacancy in the Utility Engineering Section for water/recycled water distribution and wastewater collection systems through June 30, 2015. The City Council approved Amendment No. 1 for \$58,000 for additional services on April 7, 2015 and extended the term to December 31, 2015. Staff recommends increasing the agreement in the amount of \$42,000 for continued support anticipated to be needed through December, 2015. This will bring the total value of the agreement to \$127,734. The proposed Amendment No. 2 is included in the Council packet.

Alternative: Denial of this request will result in delayed completion of some Utility Engineering tasks. Tasks include but are not limited to: regulatory compliance reporting for water, sewer, and urban runoff programs, developer project plan checking, implementing new water conservation requirements, and participating in and reviewing documentation for regional water, sewer, urban runoff, and solid waste programs.

California Environmental Quality Act: This action is not considered a project under CEQA as there will be no direct, or reasonably foreseeable indirect physical change in the environment.

Fiscal Impact: None. There are sufficient funds available in the Utility Engineering budget due to salary savings.

4. **Background of fourth action:** A budget appropriation of \$482,792 from the Water Fund to CIP No. 7118 is necessary to perform preliminary engineering and external funding applications for the recycled water line extensions. Approval of the Water Conservation Program and its budget appropriation discussed elsewhere on this agenda will provide sufficient funding to prepare retrofit plans for Augustine Park and the Community Garden. There are sufficient funds in the Utility Engineering operating budget to cover staff backfill support.

Recommendations:

1. Approve a consultant agreement with RMC Water & Environment for engineering services in the amount of \$482,792 for CIP No. 7118.
2. Subject to budget appropriation approval in the public hearing matter on this agenda regarding water conservation, approve a consultant agreement with RMC Water & Environment for engineering services in the amount of \$26,559 for CIP No. 7126.
3. Approve Amendment No.2 to the consultant services agreement with RMC Water and Environment for Utility Engineering support in the amount of \$42,000.
4. Approve a budget appropriation of \$482,792 from the Water Fund to CIP No. 7118.

- * 25. **Approve a Consultant Agreement with Water Solutions, Inc. for Engineering Services in the Amount of \$427,000, Approve a New Capital Improvement Project Supervisory Control and Data Acquisition (SCADA), Project No. 7127, and Approve a Budget Appropriation of \$50,000 (Staff Contact: Steven Machida, 408-586-3355)**

Background: On May 5, 2015, the City Council received a staff report on Water Supply Augmentation, and directed staff to develop a work plan tasks for conservation, recycled water, and ground water wells. The work plan for groundwater system expansion and conservation improvements has been completed for an estimated cost of \$25 million. The State is currently developing several funding programs for potable water project, and anticipates receiving applications this summer for Proposition 1 and State Revolving Loan funds. Staff reviewed preliminary guidance information and that several documents are required to be prepared and submitted with the applications. Water Solutions Inc. (WSI) was selected from the City's list of consultant engineers to prepare these documents for the following reasons: WSI's recent experience of the preparation in the Water Supply Augmentation Feasibility Report and technical experience in water systems, design and operations, including underground wells.

The work consists of reviewing and/or preparing mechanical equipment, proposed Supervisory Control and Data Acquisition, (SCADA) for operations, and proposed water quality treatment for existing groundwater wells, well sitting, technical recommendations, environmental documents, mapping, preliminary design, construction cost estimates, and preparation of Proposition 1 funding application. Most of these documents are necessary for project design, even if the City were not pursuing outside funding. The work also includes next step evaluations for the smart meter program and water leak detection system.

Cost estimate for this work is \$427,000. The well improvement portion is estimated to cost \$327,000 and will be funded from Well Upgrade Project, CIP No 7076. The Smart Meter work is estimated to cost \$50,000 and will be funded from CIP Automated Meter Replacement Project, CIP No. 7121. It is necessary to create a new CIP Supervisory Control and Data Acquisition Project, CIP No. 7127, and appropriate \$50,000 for this work. The consultant agreement, CIP sheet project description, and a budget appropriation form are included in the Council packet.

California Environmental Quality Act: This is not a project under CEQA as there will be no direct physical change or a reasonably foreseeable indirect change to the environment. Additionally, this is exempt under CEQA Guidelines Section 15262 (Feasibility and Planning Studies).

Alternative: The consultant agreement and budget appropriation are needed to prepare for the City's application for outside funding for planned groundwater well system expansion and conservation improvements. The project will not proceed if the agreement and appropriation are not approved.

Fiscal Impact: Proposed work will be funded as follows:

- Appropriate \$50,000 from the Water Fund for a new Project No. 7127, Supervisory Control and Data Acquisition
- \$50,000 from Project No. 7121, Automated Water Meter Replacement; there are sufficient funds in the project budget
- \$327,000 from Project No. 7076, Well Upgrade Project; there are sufficient funds in the project budget

A budget appropriation from the Water Fund is necessary at this time to provide funding. The proposed water rates include costs for a \$15 million bond program to begin the work. The Water Fund and Well Upgrade Project may be reimbursed from the water revenue bond proceeds when issued. Staff is also pursuing grants and loans.

Recommendations:

1. Approve the consultant agreement with Water Solutions, Inc. for engineering services in the amount of \$427,000.
2. Approve a new Capital Improvement Project, Supervisory Control and Data Acquisition (SCADA), Project No. 7127.
3. Approve a budget appropriation in the amount of \$50,000 from the Water Fund to Project No. 7127.

- * 26. **Approve Consultant Agreement with HydroScience Engineers, Inc for Engineering Services in the Amount of \$51,000 for CIP No. 7126 (Staff Contact: Steven Machida, 408-586-3355)**

Background: The water supply shortage is serious. One aspect of the proposed Water Conservation Program is to convert irrigation sites from potable water to recycled water use. Staff has identified a priority list of City-maintained irrigated sites, such as parks and street medians, currently served by potable water that could be converted to recycled water use. Plans, showing conversion details, must be submitted to South Bay Water Recycling (SBWR) and the State Water Resources Control Board (SWRCB) for approval. In order to expedite the conversion process, staff has selected two consultants from the Engineering Division's consultant list and recommends dividing preparation of conversion plans between the two consulting firms.

Hydroscience was selected for conversion of areas on San Francisco Public Utilities Commission Right of Way between Russell Lane to Paseo Refugio. The work consists of preparation of construction plans for the conversion. The fee is reasonable for the proposed work.

California Environmental Quality Act: The project is exempt under the following Sections of the CEQA Guidelines:

- Section 15302(c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity
- 15303(d) Water main and other utility extensions of reasonable length to serve new construction or conversion of small structures

- 15304(b) Minor alterations to land including new gardening or landscaping, including the replacement of existing conventional landscaping with water efficient or fire resistant landscaping
- 15307 Actions By Regulatory Agencies for Protection of Natural Resources

Fiscal Impact: None. The funding for this work is subject to budget appropriation approval in the public hearing matter on this agenda, regarding water conservation.

Recommendation: Approve consultant agreement with HydroScience Engineers, Inc. for engineering services in the amount of \$51,000 for CIP No.7126.

- * 27. **Approve Amendment No. 1 to the Agreement with Biggs Cardosa Associates, Inc. for the Midtown Parking Garage Fire Door Conversion, Project No. 3407 (Staff Contact: Steve Erickson, 408-586-3301)**

Background: On December 3, 2014, the City entered into a consultant agreement with Biggs Cardosa Associates, Inc. in the amount of \$17,000 to provide design services required to convert the manual hand operated fire doors at the Midtown Parking Garage and the Library to an electric motor operated system. The term of the agreement is from December 3, 2014 to December 4, 2015.

The existing electric sub panel within the parking garage does not have sufficient capacity and circuit breakers to serve the motor operated roll-up fire door systems. Staff requests the approval of Amendment No. 1 with Biggs Cardosa Associates Inc. for additional electrical testing and design services for installation of a new sub panel with associated circuit breakers and wiring. The new panel will provide required panel circuit breakers for the installation of the electric motors for the roll-up fire doors as well as the future electric vehicle charging station project. Staff negotiated a scope and fee for these additional services not to exceed \$6,900.00 for a total contract amount of \$23,900.

Fiscal Impact: None. There is sufficient budget is the project budget for this amendment.

Recommendation: Approve Amendment No. 1 to the agreement with Biggs Cardosa Associates, Inc. in the amount of \$6,900.00 and extend the term to June 17, 2016 for the Midtown Parking Garage Fire Door Conversion, Project No. 3407.

- * 28. **Approve Pre-Qualified Bidders List, Project Plans and Specifications, and Authorize Advertisement for Bid Proposals from Pre-Qualified Bidders for the Milpitas Sports Center Pool Repair, Project No. 3408 (Staff Contact: Steve Erickson, 408-586-3301)**

Background: Plans and specifications have been completed for the Milpitas Sports Center Pool Repair Project No. 3408. The work includes resurfacing of the yard, meter, and training pools, installation of new Americans with Disabilities Act (ADA) entries, lighting, concrete deck, drainage systems, shade structures, and related equipment and appurtenances. The project will also remove the non-operational wading pool which is a safety hazard. The Engineer's estimated cost for this work is \$1,500,000.

A copy of the title sheet of the project plans is included in the Council's agenda packet and the complete set of plans and specifications are available for review in the office of the City Engineer.

On April 21, 2015, the City Council authorized staff to issue a request for prequalification statement from prospective bidders for this project. Staff reviewed the submitted qualification statements and determined that all four of the prospective bidders meet the qualification criteria. If Council approves this pre-qualified bidders list and authorizes advertising for bid proposals for the Sports Center Pool Repair Project, only bidders on the approved list will be authorized to

submit bids for the project. The list of the prospective bidders meeting the pre-qualified criteria is included in the Council agenda packet.

Alternative: Denial of this request would result in not completing needed repairs resulting in further deterioration and potentially unsafe conditions.

California Environmental Quality Act: The project is exempt under Section 15301 (Existing Facilities) of the CEQA Guidelines.

Fiscal Impact: Additional funding will be requested at the time of award in order to award this project.

Recommendations:

1. Approve the pre-qualified bidders list for the Milpitas Sports Center Pool Repair Project No. 3408.
2. Approve Plans and Specifications for Milpitas Sports Center Pool Repair and authorize advertisement for bid proposals from pre-qualified bidders.

*** 29. Authorize the City Manager to Execute an Agreement with the Silicon Valley Regional Interoperability Authority (Staff Contact: Armando Corpuz, 408-586-2534)**

Background: In 2001, the Santa Clara County City Managers Association agreed to jointly fund a countywide radio interoperability and public safety radio and data communications network to improve public safety and emergency services. This network, to be known as the Silicon Valley Regional Communications system, will integrate with nearby regional public safety communication systems.

This Memorandum of Understanding (MOU) establishes the City of Milpitas' financial commitment and support to the Silicon Valley Regional Interoperability Authority (SVRIA) for the construction and maintenance of the SVRCS. The MOU defines SVRIA's obligations to maintain and operate the SVRCS. Costs to each city on the SVRCS are based on the percentage of users on the system. The City of Milpitas' construction commitment from FY 2015-16 through FY 2017-18 will total \$691,510.00. The City's operation and maintenance costs from FY 2018-19 through FY 2028-29 will be \$1,052,025.00. This agreement expires on December 31, 2029.

On May 11, 2015, the City Council approved the SVRCS to be funded through FY 2019-20 as a 2015-2020 Capital Improvement Project.

Fiscal Impact: None. The SVRCS is an approved 2015-2020 Capital Improvement Project. Funding beyond FY 2019-20 will be determined at a later date.

Recommendation: Approve and authorize the City Manager to execute the agreement with the Silicon Valley Regional Interoperability Authority (SVRIA).

XXI. ADJOURNMENT

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, AUGUST 4, 2015 AT 7:00 P.M.**